

Price Gouging in a Public Health Crisis:

Out-of-Network COVID-19 Test Costs Far Exceed In-Network Charges

The COVID-19 pandemic is an unprecedented public health crisis that has strained health systems around the world, causing extraordinary patient suffering and economic upheaval. From the beginning, health insurance providers have taken decisive action to ensure Americans get the care they need where and when they need it, including [working with providers](#) to assure that cost is not a barrier for diagnosing or treating COVID-19.

Health insurance providers proactively eliminated patient cost-sharing for COVID-19 diagnostic testing and treatment. Following these actions, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act requires health insurance providers offering comprehensive health insurance coverage (individual market, coverage through work, Medicare, Medicaid) to provide access to medically necessary COVID-19 testing without cost-sharing. The CARES Act also requires health insurance providers to pay the listed cash price for COVID-19 tests in the absence of a contract, thus eliminating their ability to negotiate more affordable test prices.

On average, a COVID-19 test in the commercial market costs \$130. In contrast, out-of-network test providers charged significantly higher (more than \$185) prices for nearly 40% of diagnostic tests and 25% of antibody tests.

One in ten out-of-network test claims charged more than \$390 (three times the average cost).

New data shows that as a result, price gouging in COVID-19 testing is a significant problem.

In July 2020, AHIP conducted a survey of health insurance providers in the commercial market to gather information on prices charged by out-of-network providers for diagnostic and antibody tests for COVID-19.¹ The survey found that almost a tenth (9.4%) of all claims for COVID-19 tests were from out-of-network test providers. And many out-of-network test providers charged prices for COVID-19 tests that far exceeded the average cost of in-network tests.

Share of Out-of-Network Claims for COVID-19 Tests Significantly Exceeding Average Test Charge



¹ AHIP survey on pricing of COVID-19 tests in the commercial market was fielded to all AHIP member health plans with enrollment in the commercial market. AHIP received 22 responses from plans representing 67% of commercial enrollment of AHIP member plans. Responses were weighted by enrollment.

How Can We Stop Price Gouging of Americans?

Everyone should be able to get the COVID-19 tests they need, whether they have health insurance coverage or not. To stop price gouging:

- The Administration should take steps to prevent price gouging for COVID-19 testing, including enforcing the requirement that test providers publicly post their cash price in an easy-to-find online location.
- Congress and the Administration should make the financial investment needed to ensure that Americans have access to all necessary COVID-19 testing.
- Policymakers and health care delivery system stakeholders should support and accelerate the development of alternative forms of accurate and low-cost testing such as those using saliva and/or test strips.
- The Administration should ensure that all available COVID-19 tests, both manufacturer-developed and laboratory-developed, meet appropriate standards for accuracy.